



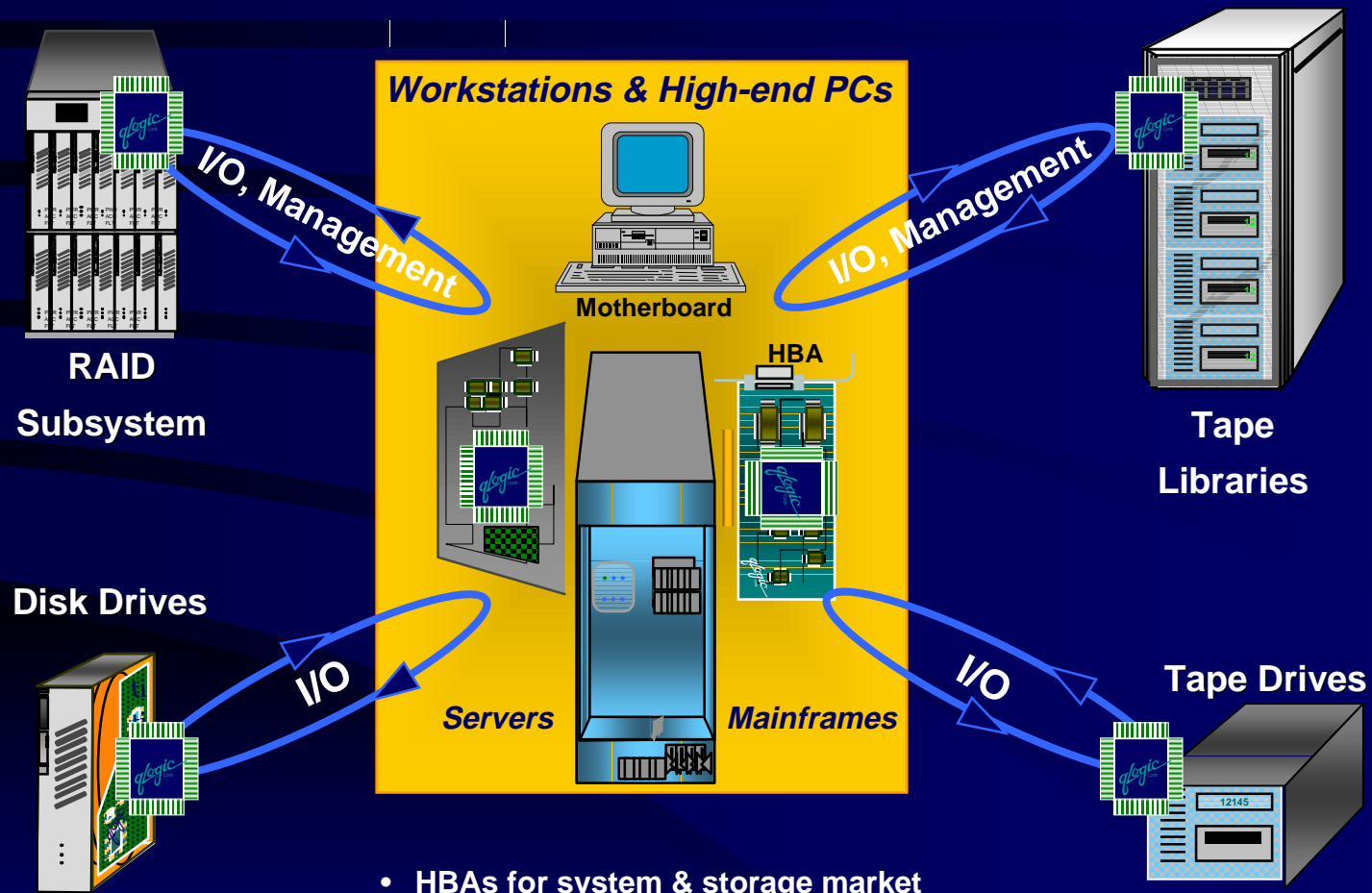
# The Connection is Critical

*Corporate Presentation*

# Safe Harbor Preface

During the course of this presentation, we may make forward looking statements regarding the future events or the future performance of the Company. Actual events or results could differ materially. We refer you to the documents the Company files from time to time with the Securities and Exchange Commission, including the Company's most recent Form S-3, Form 10-K, and Form 10-Q. These documents identify important risk factors that could cause actual events or results to differ materially from those contained in any forward-looking statements.

# Making the Connection



- HBAs for system & storage market
- Silicon for system and storage manufacturers
- Silicon for peripheral manufacturers

1992



Peripheral

## Market Dominance

*Storage Controllers for HDD Manufacturers*

1994



Peripheral

+

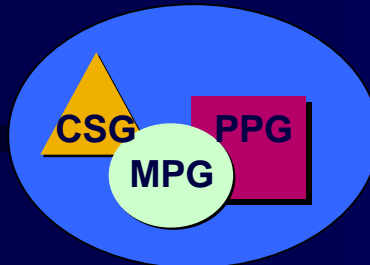


Computer  
Systems

## Phased Transition

*Expanded Product Offerings In Anticipation  
Of Storage Market Expansion*

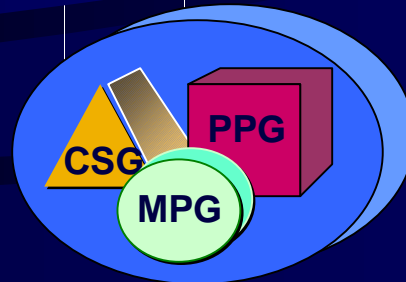
1998



## Three Businesses One Company

*Expanded Focus Anticipating Market  
Demand for Subsystem and  
System/Baseboard Management*

1999



## Prepared For The Future

*Broadening technology base and  
positioning for Infiniband with  
integration of adaptive RAID*

# Transforming for Growth

# QLogic and Ancor *Transaction Structure*

- Definitive Agreement signed May 7, 2000
- Pooling-of-interests
- Exchange ratio is 0.5275 QLogic share for each Ancor share
- Ancor pro forma ownership approximately 18%
- Transaction expected to close in Q3 CY2000

# Profile Companies

## QLogic

## Ancor

Headquarters:

Aliso Viejo, CA

Minneapolis, MN

Employees:

390

165

Revenues:

\$60.1M <sup>(1)</sup>

\$7.2M <sup>(1)</sup>

Key Technologies:

SCSI, Fibre Channel  
InfiniBand

Fibre Channel, InfiniBand

Key Customers:

Fujitsu, Sun, Hitachi, Dell  
Intel, Net App., IBM

Sun, MTI, Hitachi,  
EMC, INRANGE

Technology Partners:

Intel

Intel, INRANGE

Channel Partners:

Bell Micro

Bell Micro

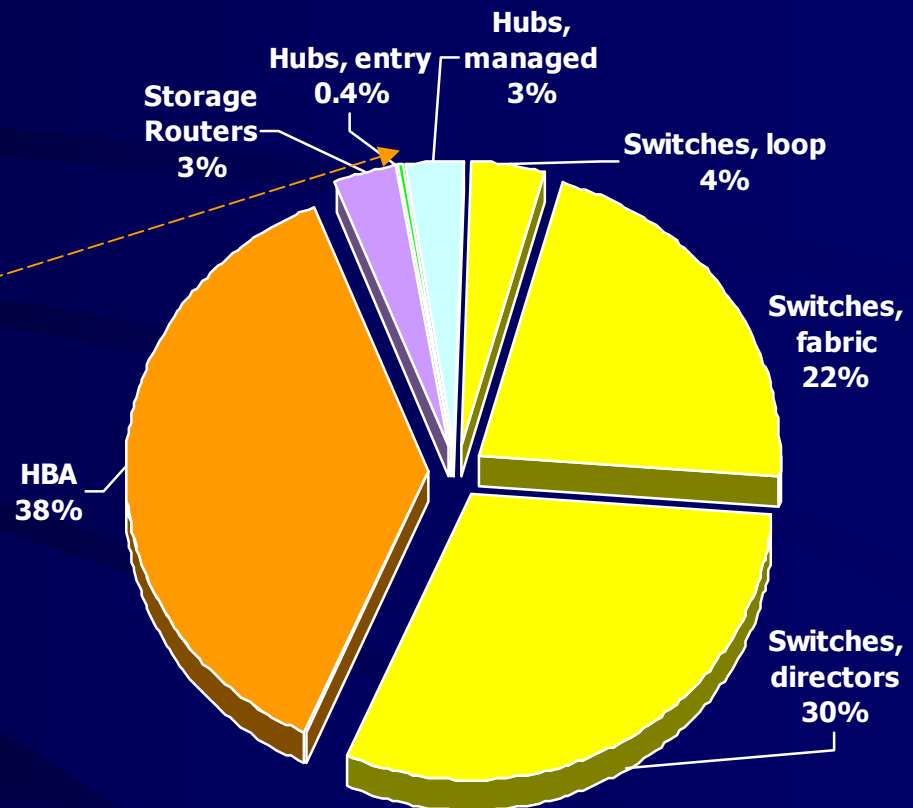
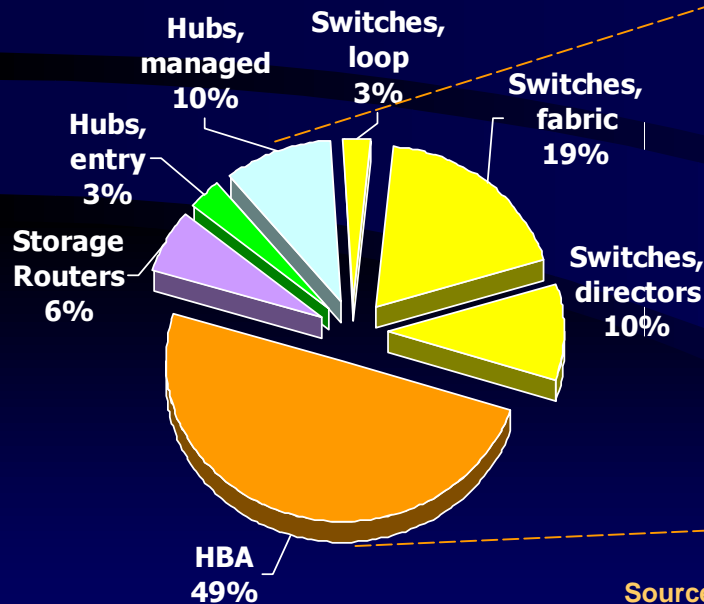
<sup>(1)</sup> Qtr. Ended 03/00

# Fibre Channel SAN Components

**73% Market CAGR**

**2003 Share By SAN Component**  
Factory Revenue = \$ 4,544M

**1999 Share By SAN Component**  
Factory Revenue = \$506M

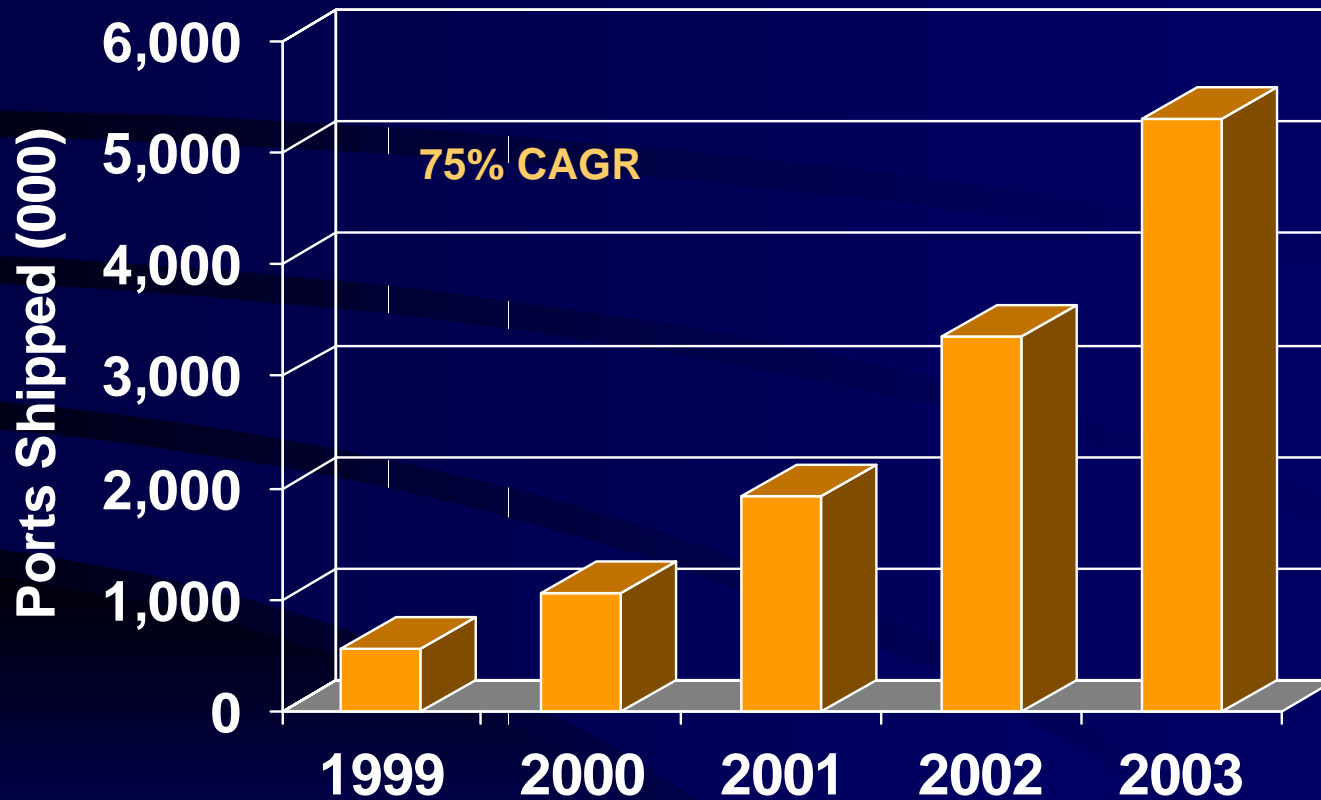


Source: IDC's 4-00 2000 Worldwide Fibre channel Hub & Switch Forecast & Analysis 1997- 2003  
and IDC's 3-00 Fibre Channel Host Bus Adapter Forecast & Analysis 1997-2003

*qlogic*  
Corp.

# Hub And Switch Market

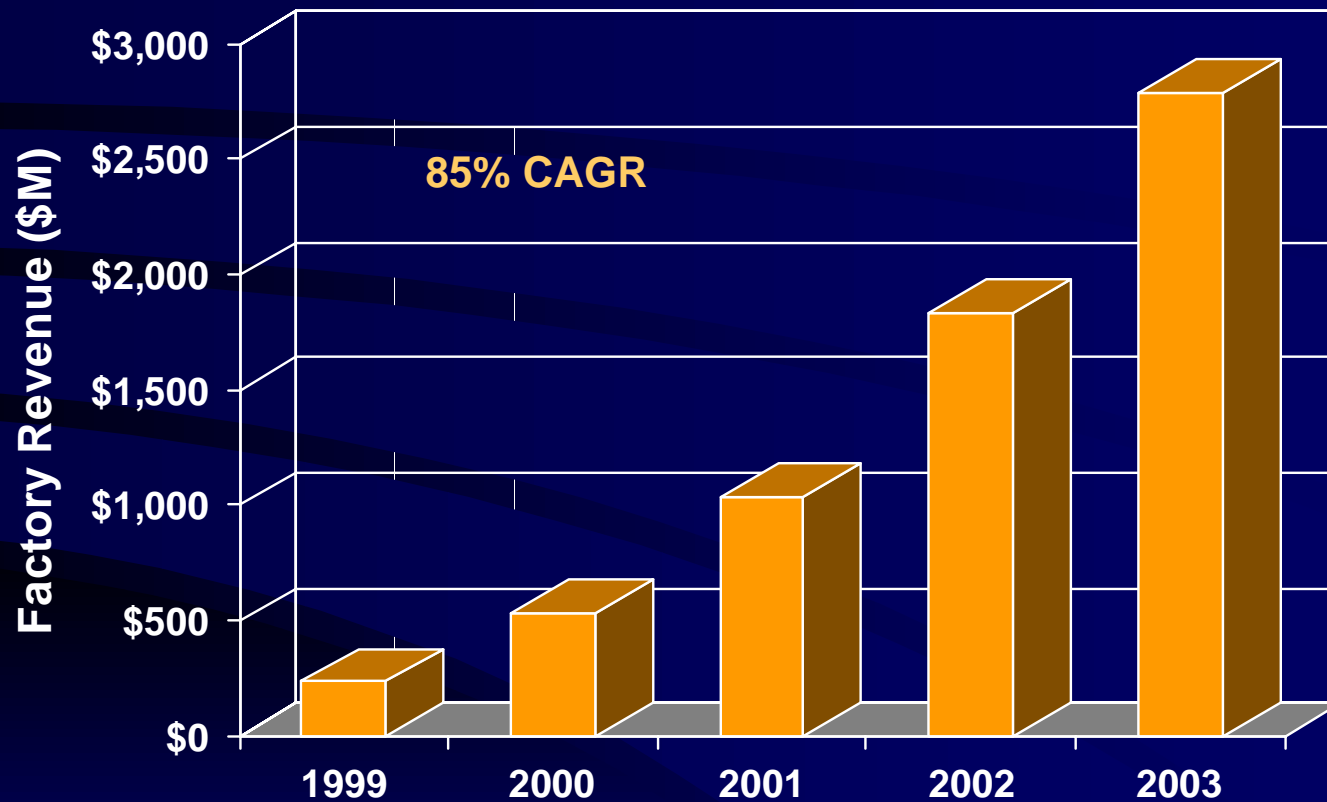
## IDC's Hub And Switch Port Forecast 1999-2003





# Hub And Switch Market

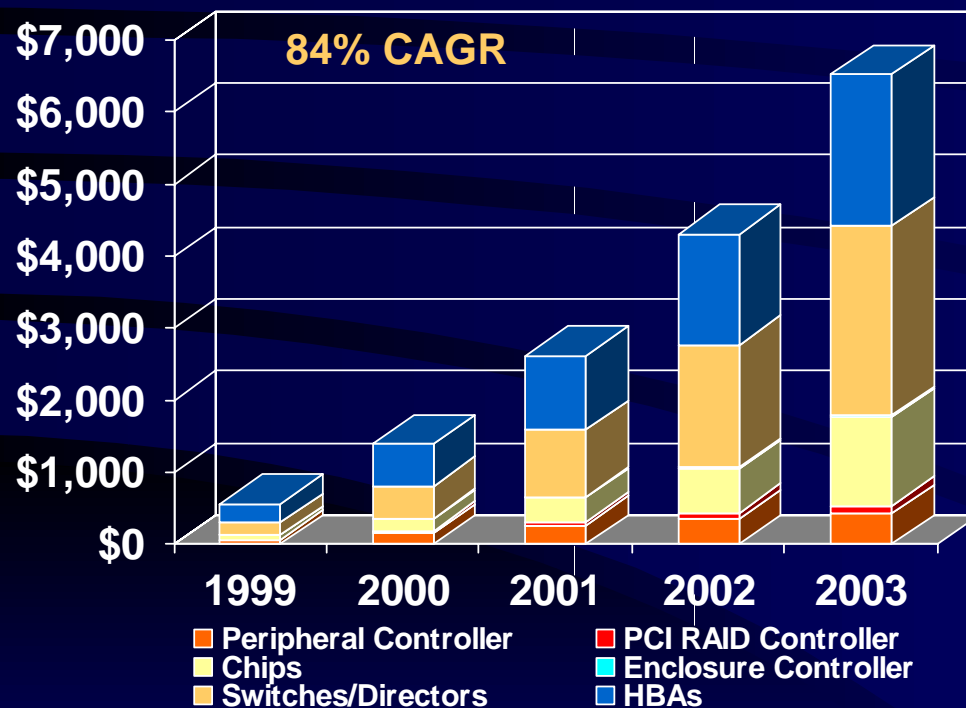
## IDC's Hub And Switch Factory Revenue Forecast 1999-2003



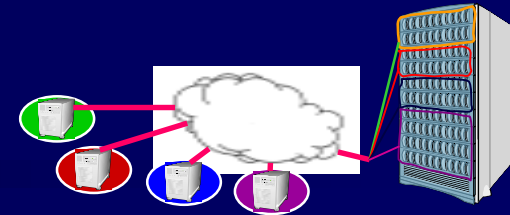
# Fibre Channel SAN Market

## QLogic Total Addressable FC Market

(Millions)



Source (Dataquest, IDC and QLogic)



- Enables cost effective solutions
  - Storage consolidation
  - Remote mirroring/backup
  - LANless/Serverless backup
- Technology benefits
  - Flexible, scalable capacity
  - Built-in reliability features
  - Superior performance



*qlogic*  
Corp.

# Market Leadership

## QLOGIC

- #1 Fibre Channel HBA
- SAN End-Node Components
  - Silicon
  - HBAs
- First Single Chip Fibre Channel Solution
- Broadest Range of Fibre Channel I/O Solutions
  - Server, W/S, RAID
  - Disk, Tape
  - Management Controllers

## ANCOR

- #2 Fibre Channel Switch
- SAN Fabric Systems
  - Directors
  - Switches
- First Fibre Channel Switch
- Broadest Range of Fibre Channel Switch Offerings
  - RASM
  - Port Density

# Market Drivers

- HBA decision criteria
  - Server OS driver software (NT, W2K, Netware, Linux, Solaris, HP-UX, Monterey)
  - SAN management software (QLdirect, QLconfig, QLview)
  - SCSI (storage), IP (management), VI (clustering)
  - Switch is passive (does not parse Fibre Channel frames)
- QLogic dominates I/O
  - Fibre Channel HBA leader in 1999 (IDC)
  - Fibre Channel ASICs for: motherboard, RAID controller, adapter, router, disk drive, tape drive, tape library and tester applications
  - Fibre Channel and SCSI HBAs for servers and workstations
- Industry Standards drive Ancor selection
  - No dependency on server-based software
  - MIBs interface to industry standard management software (e.g. Openview & Tivoli)

# Customer Benefits

- Increase SAN functionality with VI
  - QLogic: Same fabric (HBAs, switches and cabling)
  - Ancor: Faster than Brocade (lower latency)
- Best-of-breed
  - Customers make decisions, not suppliers
  - Customers invite suppliers to cooperate
- Supply Chain Management
  - Long-term relationships
  - Software value-add
  - Portfolio vs. point products
  - ASICs, HBAs, software, RAID and switches

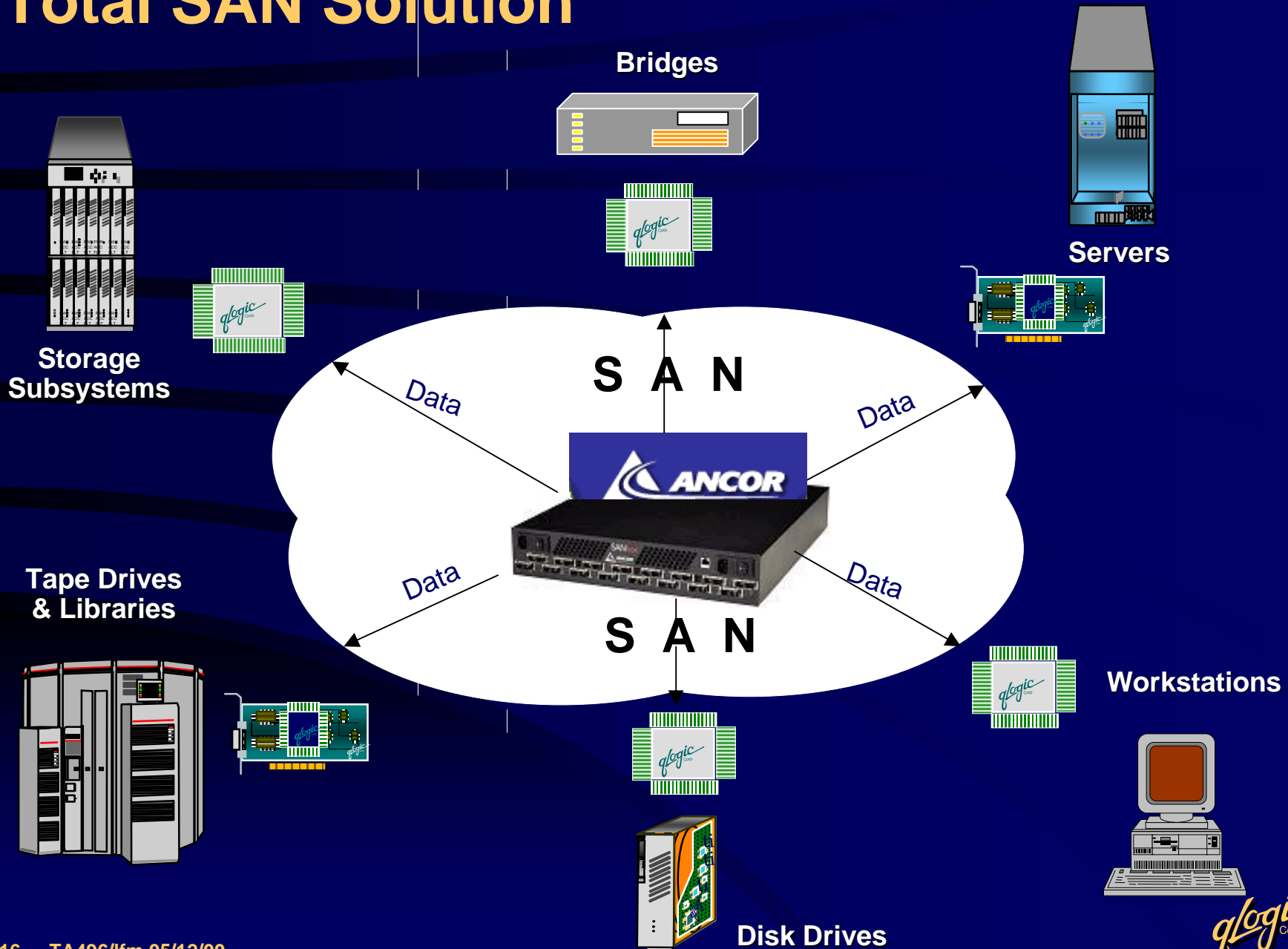
# Manufacturing Strategy

- **Leverage Fabless Advantages**
- **Subcontract Board Production**
- **Security of Supply**
  - **Wafer Level Procurement**
  - **Pure play Foundry**
- **Deliver World Class Quality**
  - **In-house Reliability and Failure Analysis Support**
  - **ISO9001/TickIT Certified**

# Selected Customers



# Total SAN Solution

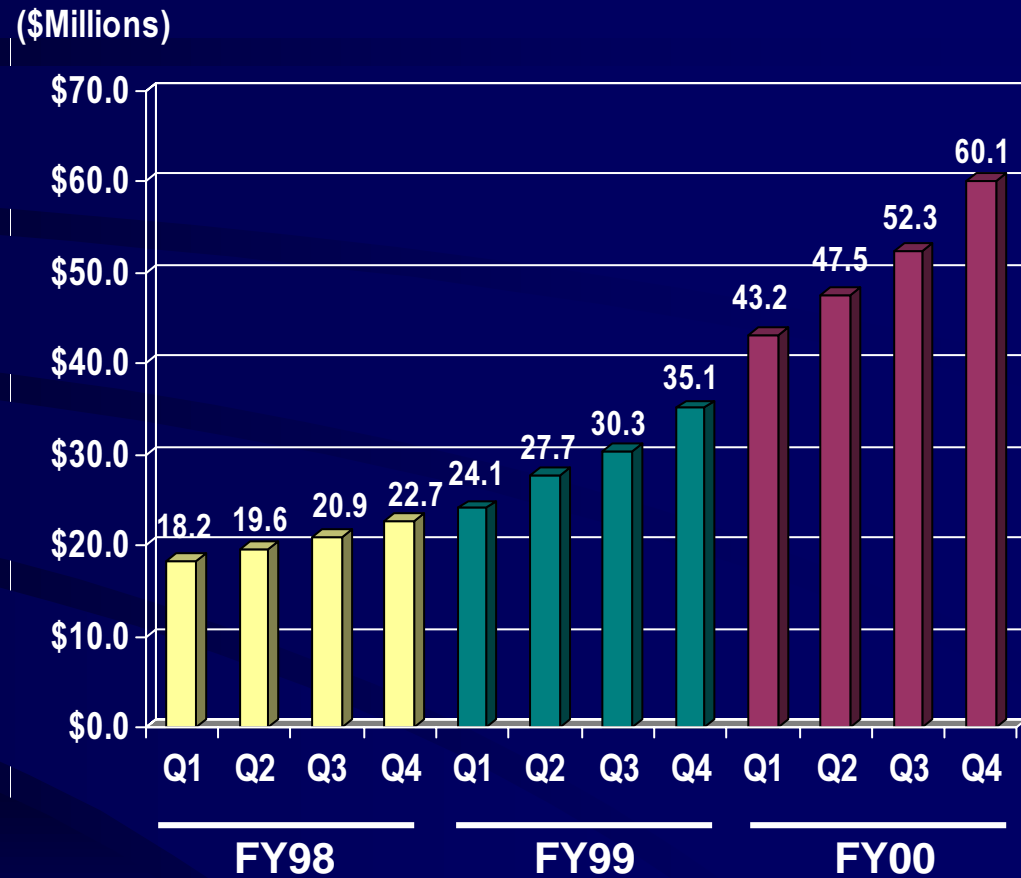
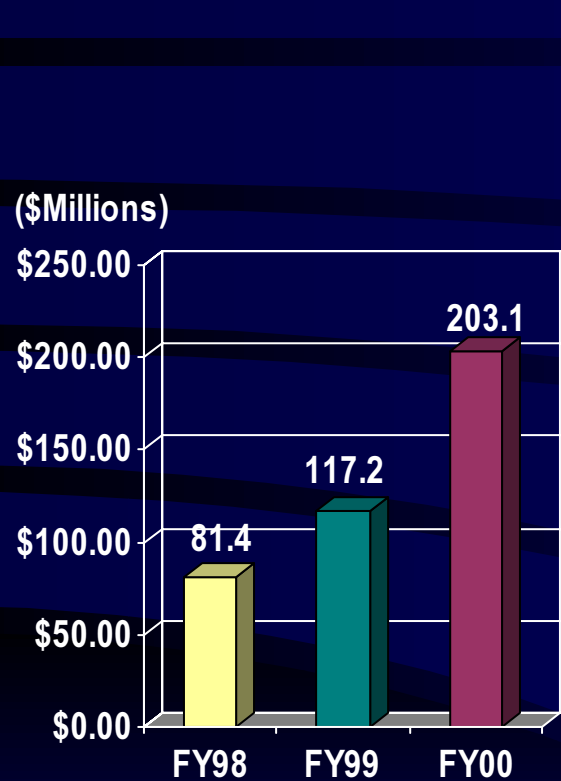




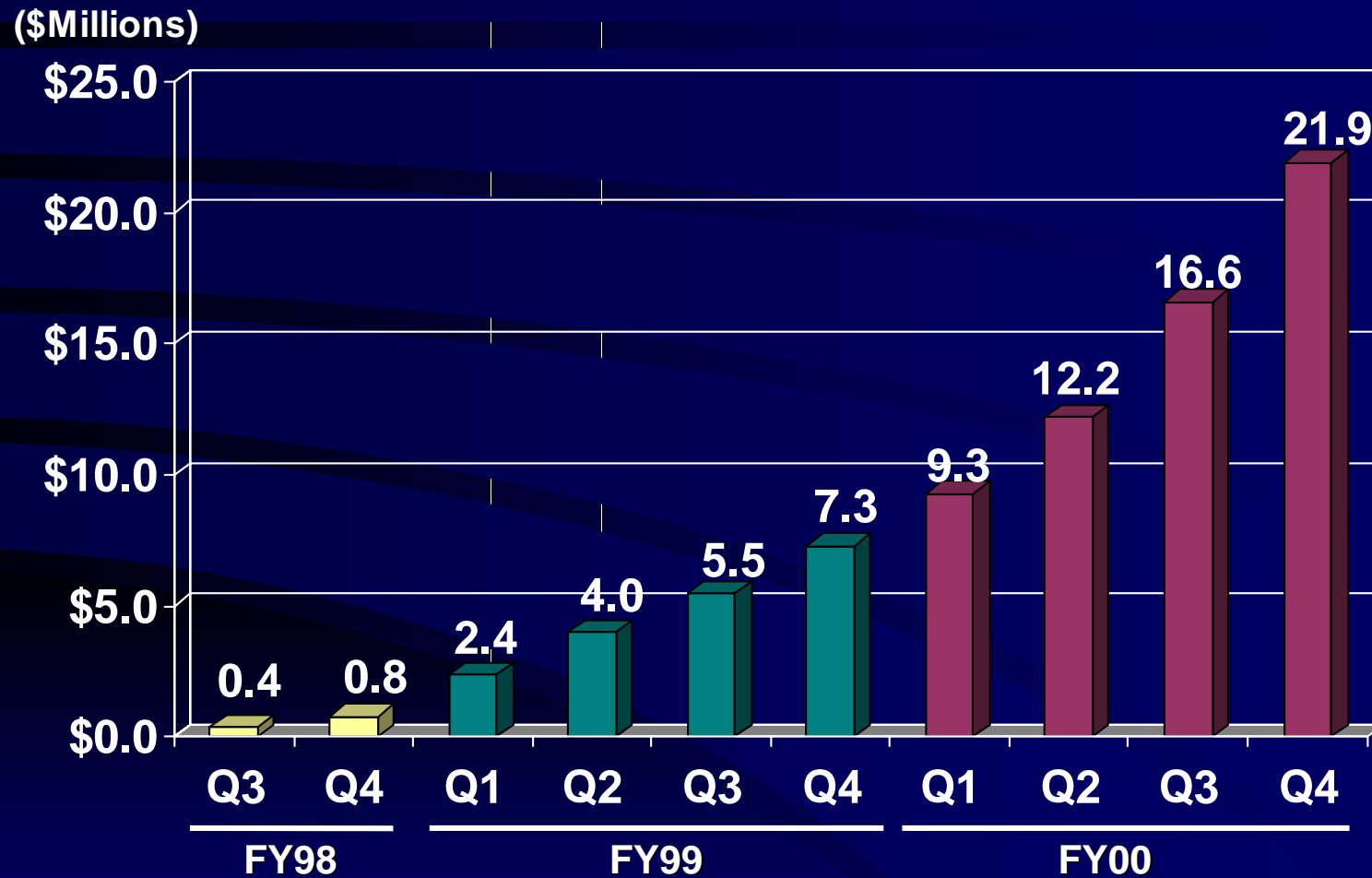


# FINANCIALS

# Revenue Growth

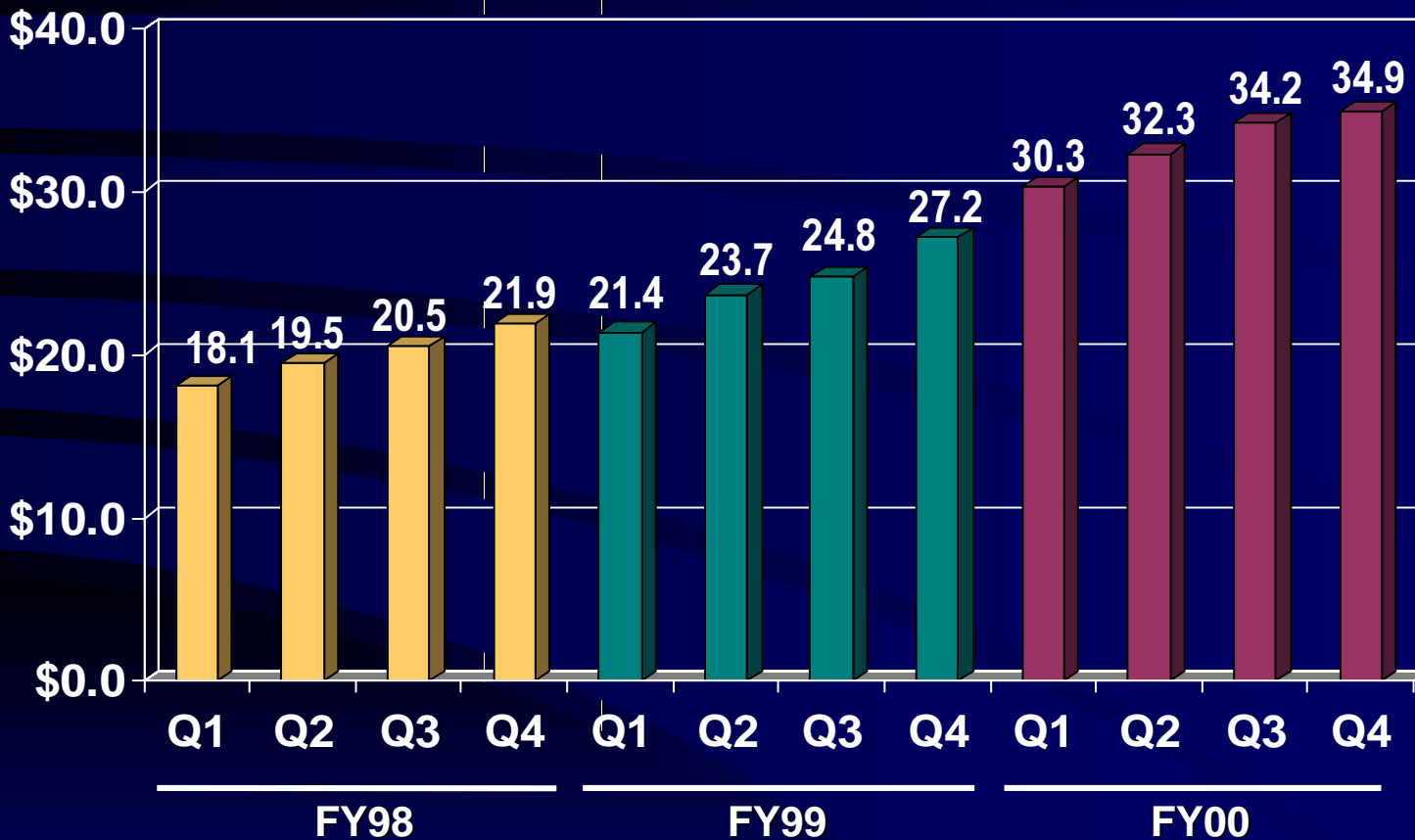


# Fibre Channel Revenue History



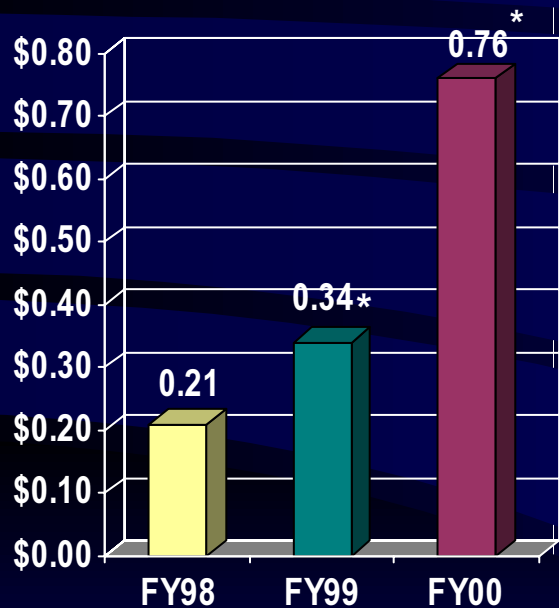
# SCSI Revenue History

(\$ Millions)

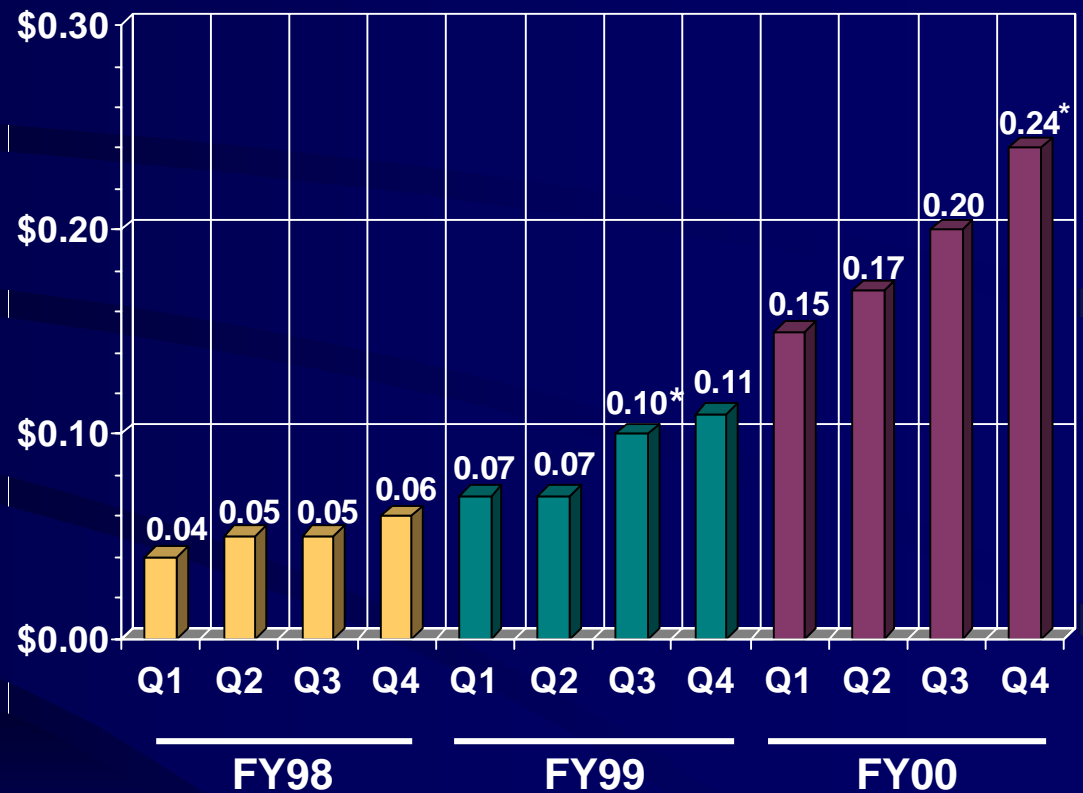


Fiscal Year Ends March

# Quarterly Diluted EPS



Fiscal Year Ends March



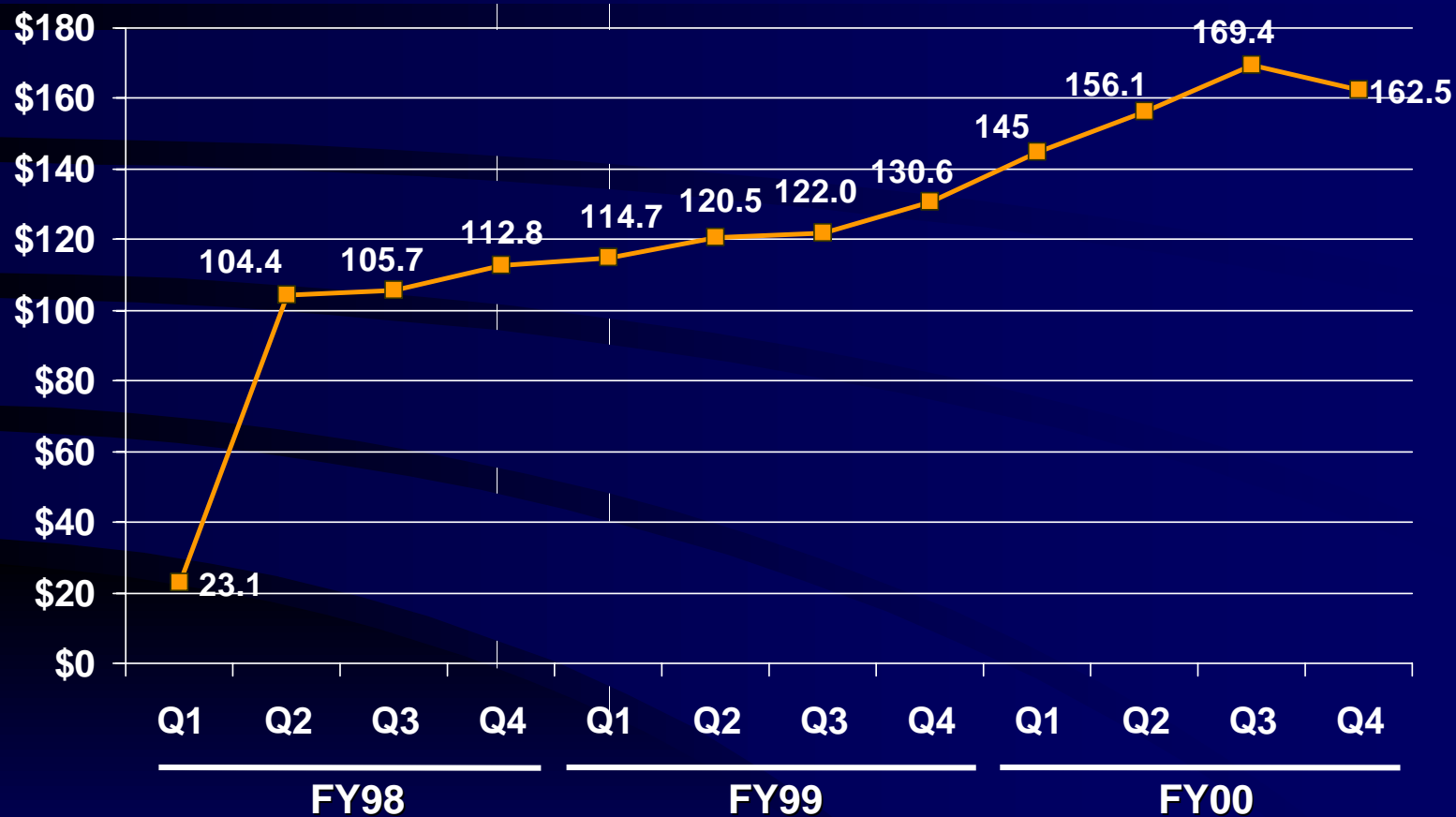
\* Excludes one-time charges for write off of in-process technology

# Operating Model

	<u>FY 98</u>	<u>FY 99</u>	<u>Pro Forma FY00</u>
<b>Gross Margin</b>	<b>58.2%</b>	<b>63.6%</b>	<b>68.4%</b>
<b>Engineering &amp; Development</b>	<b>19.2%</b>	<b>20.8%</b>	<b>16.0%</b>
<b>Sales &amp; Marketing</b>	<b>10.7%</b>	<b>9.4%</b>	<b>8.2%</b>
<b>G&amp;A</b>	<b>5.6%</b>	<b>4.9%</b>	<b>4.0%</b>
<b>Operating Profit</b>	<b>22.7%</b>	<b>28.5%</b>	<b>40.2%</b>
<b>Return on Sales</b>	<b>16.5%</b>	<b>21.9%</b>	<b>29.0%</b>

Fiscal Year Ends March

# Cash Growth



# Cash Needs

Working Capital  
Needs

Technology  
Acquisitions

Supply  
Arrangements

**\$162.5 Million**



